

# Conference Summaries

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## Aligning Incentives to Achieve Value

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*Dr. Wennberg, the chief science and products officer for Health Dialog, discussed recent shared decision making projects in Maine.*

### Introduction

- Dr. Wennberg began by presenting a timeline of informed decision making efforts in Maine:
  - Several decades ago, the Maine Medical Journal published a series of articles on small area variation of health care procedures in Maine, the first published on the topic.
  - On the basis of these articles, a physician leader began the Maine Medical Assessment Program, whose mission was to feed data back to physicians to reduce unwarranted variation.
  - A few years later, several urologists in Maine participated in a patient-oriented research study on benign prostatic hypertrophy; the program became seed from which the concept of shared decision making was founded.
  - A decade later, Dirigo Health, a health care oversight agency created by the Maine legislature, was charged with monitoring quality. The agency created the Maine Quality Forum, whose mission is “to advocate for high quality health care and help each Maine citizen make informed health care choices.”

### Studying Small Area Variation

- In 2009, the Maine Quality Forum awarded Health Dialog a contract to study small area variation of health care procedures in the state.
- Health Dialog researchers found evidence of variation in Maine. Dr. Wennberg displayed a graph that showed the inpatient admission rates for patients with chronic disease for the 33 hospital service areas in the state. There were obvious differences among the service areas in the rate of admissions for supply-sensitive conditions.
- For the first time, these data were publicly displayed throughout the state. The data prompted both legislative and non-legislative action within the state.

### Involvement of the Maine Health Management Coalition

- The Maine Health Management Coalition (MHMC) was among the groups that took action based on data from the Health Dialog study.

- The group is an employer-led partnership of stakeholders working collaboratively to maximize improvement in the value of health care services delivered to its members' employees and dependents. The group's members include employers (the largest of which is the state of Maine), providers (both hospitals and physician groups), and five health plans.
- According to the group, the goals of employers in Maine regarding health care are:
  - Health spending to be at or below the national average within 3 years;
  - Quality to be above national average in all areas within 3 years; and
  - A health system with the following attributes:
    - Transparent info on cost and quality
    - Functional interoperable IT systems
    - Integrated coordinated patient centered care across settings
    - Reduced variation in cost and quality across the state
    - Reduction or elimination of waste (ie, services that do not improve health)
    - Primary-care based

### Specific Actions

- According to Dr. Wennberg, MHMC has taken several actions to address small area variation in the state.
  - MHMC staff crafted an Internet-based rating system for hospitals and providers using Medicare and other quality-related data. The state employees' group has used the rating system to craft the health plan benefit design, steering patients to the providers and hospitals that achieve higher ratings in quality and efficiency.
- MHMC leaders have planned a series of pilots in a variety of areas, including:
  - Accountable Care Organizations;
  - Shared decision making;
  - Reducing readmissions;
  - Patient-centered medical home;
  - Local primary care initiatives; and
  - Small group capitation.
- Leaders also developed a plan and payment model that includes incentives for providers and patients.
- Leaders of the Maine General Hospital have entered into a multi-year agreement with the state employee health commission, which oversees the state employee benefits program, to test the model. The payment model begins with a shared savings plan in the first year and transitions to a global payment plan by year five.
- The key principles of the project include:
  - Transparency;
  - Primary care as the foundation for a system of care;
  - Value-based purchasing;
  - Benchmarking against best practices;
  - Shared decision making; and
  - Evidence-based care.

Dr. Wennberg concluded by noting that the creation of a multi-faceted group of stakeholders to address variation in care is a significant advance toward addressing problems with the delivery of health care in the United States.